

## 29-X NEWS EDITORIAL

### India's Robust GST Growth Reflects Economic Resilience and Compliance Improvements

India's Goods and Services Tax (GST) collections witnessed a strong 9.9% year-on-year (YoY) growth in March 2025, reaching ₹1.96 lakh crore. This steady rise in indirect tax revenue signals healthy economic activity, improved tax compliance, and a stable policy framework. The figures suggest that despite global uncertainties, India's domestic consumption and business environment remain resilient. Breaking down the March 2025 GST collections, Central GST (CGST) contributed ₹38,100 crore, State GST (SGST) stood at ₹49,900 crore, Integrated GST (IGST) at ₹95,900 crore, and GST Cess at ₹12,300 crore. After adjusting for refunds, net GST collections reached ₹1.76 lakh crore, reflecting a 7.3% YoY growth. These numbers indicate not only a robust demand for goods and services but also the effectiveness of the government's digital tax initiatives and stricter compliance measures. For the financial year 2024-25 (FY25), cumulative GST collections have reached ₹22.08 lakh crore, marking a 9.4% increase over the previous year. Net of refunds, the collections stood at ₹19.56 lakh crore, up 8.6% YoY. The government's budget estimate had projected an 11% growth in GST revenues, and current trends indicate that this target is within reach. Month-wise data highlights consistent growth, with March and January recording collections of ₹1.96 lakh crore each, while February and December saw ₹1.83 lakh crore and ₹1.77 lakh crore, respectively. Even November 2024, which experienced post-festive season consumption slowdown, posted an 8.5% YoY growth. Several factors have contributed to this steady rise in GST revenues. Increased domestic consumption, supported by rising incomes and demand for goods and services, remains a primary driver. Improved tax compliance, bolstered by AI-based monitoring, e-invoicing, and strict audit mechanisms, has helped curb tax evasion. Additionally, India's manufacturing and services sectors have shown steady expansion, further widening the tax base. The government's focus on digital transformation, including automation in GST return filings and enhanced tracking of transactions, has also played a crucial role in improving revenue collection. Looking ahead, the government is aiming for an 11% GST revenue growth in FY25, focusing on expanding the tax base, strengthening compliance, and further leveraging technology. With continued economic momentum and policy measures to plug tax leakages, India's GST system is well-positioned to support fiscal stability and drive economic growth. The sustained increase in tax revenue not only strengthens the country's financial health but also enables greater public spending on infrastructure, social welfare, and economic development, fostering long-term prosperity.

# Common trend

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The recent German election results confirm a trend observable for some time, at least in advanced capitalist countries, namely, the collapse of the political centre, comprising both Centre-Left and Centre-Right, and the rise in its place of the Right and the Left. This was visible in France recently where a united Left got the largest number of seats in Parliament, even beating the tally of Marine Le Pen's extreme-Right; the biggest loser was the Centrist formation of President Emmanuel Macron. Even in Britain, where the Tories lost heavily in the last election, it is not Labour that benefited from this loss; though Labour came to office as a result, the real gainer was the extreme-Right Reform Party.

In Germany likewise, the loss in the percentage share of votes for the earlier ruling coalition, comprising the Social Democrats, the Free Democrats and the Greens, was as much as 19.5% between 2021 and 2025 but the increase in the vote-share of the Centre-Right Christian Democratic Union-Christian Social Union was only 4.4%. The real gainers were the neo-fascist AfD, which got 10.4% more votes than that in 2021, and the Left, comprising both Die Linke and the breakaway group under Sahra Wagenknecht, which got 8.87% more votes than in 2021.

While the rise of the AfD in these elections has been widely noted, the success of the Left has generally gone unnoticed. The Left party, Die Linke, which is a successor to the Socialist Unity Party that ruled the German Democratic Republic until reunification, had earlier got its highest vote share, 11.9%, in 2005. There was a split in Die Linke recently with one of its leaders, Wagenknecht, breaking

away from the parent party mainly due to differences over NATO and the Ukraine war. But if one adds up the votes of the two groups together, then it comes to almost 14% (13.98%), which is the highest percentage the Left has ever got since German reunification. In comparison, the AfD got 20.8%, the SPD 16.4% and the CDU-CSU 28.6%. In short, it is not just the AfD but the Left too that did well in these elections, while parties of the political centre taken together did relatively poorly.

This decline of the political centre is the political expression of the crisis of neoliberalism that currently afflicts the capitalist world. The political centre has been the main force behind the introduction of the neoliberal order and, as disillusionment with this order rises, people's anger gets directed against the political centre. To be sure, the neo-fascists, which gain from such anger by seemingly standing apart from neoliberalism when in opposition, embrace it when they come to power, as Giorgia Meloni has done in Italy (India's Narendra Modi, however, never stood apart). This initial oppositional stance helps them electorally; but their specific appeal lies elsewhere: in changing the discourse by 'Othering' a hapless minority and fomenting hatred

against it within the majority.

The fact that even before the pandemic the decadal GDP growth rate of the world economy was the lowest for the decade ending 2019 among all post-War decades indicates the magnitude of the crisis. The pandemic and the subsequent years have only worsened the situation for the working people, and neo-fascists like Donald Trump have benefitted from this.

The point being made is that compared to the neo-fascists who operate within neoliberalism but with a radically different discourse, and the Left that holds out the promise of transcending neoliberalism, parties of the political centre have little to offer to the electorate. They embrace neoliberalism and, hence, in effect its crisis despite the hardships it imposes on the people; and this explains their decline.

Perhaps one can see in the European political centre's strident Russophobia an effort to overcome this handicap; it is conjuring up an external threat and presenting itself as the only force capable of dealing with it. Both the Left and the Right, by contrast, appear less concerned about it. These claims of European centrist parties about Russia's aggressive designs are quite baseless, rather reminiscent of Cold War propaganda about the Soviet threat

to Europe. In fact, the Columbia University professor, Jeffrey Sachs, debunked these claims in a speech to the European Parliament, even calling them "childish". Russia, he underscored, had itself once mooted the idea of joining NATO, but this idea was rebuffed by the then US president, Bill Clinton. It would have been in conformity, though, with the Europhilic tradition within Russia that was represented by Mikhail Gorbachev.

The claims about Russia's aggressiveness also provide European centrist parties a possible opportunity for attempting a Keynesian solution to the crisis by increasing State expenditure through a larger fiscal deficit. Normally a larger fiscal deficit would be opposed by globalised finance which would leave the country causing a financial crisis; but a larger fiscal deficit to finance military expenditure to counter the Russian threat, it is hoped by its advocates, would not induce finance to leave the country en masse.

Germany has very recently attempted to overturn a constitutionally-existing brake on government debt so that more can be spent on armaments and infrastructure through a larger fiscal deficit. It is obviously a desperate attempt for it has used an about-to-expire Parliament to achieve its goal (the newly-elected Parliament might not have given the Centrist parties the required majority for enacting a constitutional amendment). How far it stimulates the economy compared to its present state remains unclear as its effect would be partly offset by Donald Trump's tariffs; but German militarisation constitutes a frightening prospect.

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## Red over green

The US must balance its economic ambitions with environmental responsibility. With advancements in carbon capture and renewable energy, the scope of a balanced approach exists

'The Earth is a shared resource that connects us all.' This idea encapsulates the relationship between a nation's progress and environmental sustainability. But it appears that in his second term, the president of the United States of America, Donald Trump, is poised to intensify the nation's thirst for fossil fuel production, particularly shale oil and gas, thereby prioritising economic growth over ecological health. This raises some pertinent questions: does environmental security align with national interest? By withdrawing from climate agreements, is the Trump administration endangering national security?

Traditionally, national interest has been defined by economic strength, military capability, and geopolitical influence. However, the 21st century has expanded this definition to include environmental security, as climate change, resource depletion, and ecological degradation pose existential threats to national stability.

Environmental security refers to the protection of natural resources and ecosystems to ensure a



nation's long-term sustainability. The US department of defence has historically recognised environmental factors as critical to national security. Similarly, the US Environmental Protection Agency emphasises that environmental security is essential for protecting citizens and preventing geopolitical conflicts fuelled by resource scarcity. By this logic, a comprehensive national interest strategy should balance economic, security, and environmental concerns. However, Trump's fossil-fuel-focussed agenda challenges this balance. Under Trump 2.0, economic

expansion has become the administration's primary focus, with energy independence as a key pillar. The US has vast reserves of shale oil and gas and fracking has made their extraction economically viable. Proponents argue that increased domestic production enhances energy security, creates jobs, and lowers fuel costs. This policy shift is clearly reflected in Trump's appointment of the fossil fuel executive, Chris Wright, as US energy secretary. Additionally, Trump has reopened federal lands for drilling, rolled back restrictions on oil exploration, and

placed fossil fuel projects above renewable energy initiatives. This approach may fuel short-term economic growth but it sparks concerns over the long-term sustainability of both the environment and the economy. The environmental costs of shale development are high. Fracking involves injecting a high-pressure mix of water, sand, and chemicals into shale formations to release oil and gas. Studies have linked this process to groundwater contamination. Moreover, fracking requires immense amounts of water, straining supplies in water-scarce regions. Shale development also needs extensive infrastructure, leading to deforestation and fragmentation of wildlife habitats. The consequences include loss of biodiversity, soil erosion, and long-term damage to agricultural lands. The impact extends to air pollution. Beyond greenhouse gas emissions, shale extraction releases volatile organic compounds and particulate matter into the atmosphere. These pollutants endanger community health. Furthermore, fracking-related wastewater injection has been linked to increased seismic activity.

